

Chapter 15

Maintaining Coverage After Termination of Employment

A. Continuation of Group Coverage

An employee may continue group life insurance after terminating employment, provided the following requirements are met:

1. WRS coverage began before January 1, 1990, or they have been covered by the group life insurance plan in five calendar years beginning January 1, 1990; and
2. The employee qualifies under one (1) of the following situations:
 - a. The employee is receiving an immediate WRS annuity or meet all of the requirements for receiving an immediate WRS annuity except the filing of an application; or
 - b. The sum of the years of their creditable service in the WRS on January 1, 1990 plus their years of group life insurance coverage after 1989 equals twenty (20) years; or
 - c. The employee has twenty (20) years of service on payroll with his or her last employer.

If the employee begins a WRS annuity within thirty-one (31) days after coverage terminates, insurance automatically continues. Premiums will be deducted from the employee's annuity.

If the employee does not begin an annuity, he or she must file a [Group Life Insurance Continuation Application \(ET-2154\)](#) with ETF within thirty-one (31) days of the date coverage terminates. Securian will bill the employee directly for premiums.

If the employee participates in a private pension plan, he or she may continue the group insurance after terminating employment provided the employee has twenty (20) years of service with his or her last employer.

If an employee who continued coverage returns to work for another WRS employer, the employee cannot have both continued coverage and active employee coverage.

When you become aware that an employee is considering retirement, advise the employee to contact ETF before his or her planned retirement. ETF will assist the employee in evaluating eligibility to continue insurance.

The *Group Life Insurance Continuation Application* is not required if the employee meets the eligibility criteria to continue group life insurance and the employee's WRS annuity effective date is within thirty-one (31) days after the date the insurance coverage ends.

ETF will automatically deduct premiums from the employee's annuity. There is no required employer contribution for an employee who continues coverage after retirement. If the annuity is insufficient to cover the premium, Securian will bill the annuitant directly.

When coverage is continued, ETF certifies group life insurance coverage. A copy of the *Group Life Insurance Certification of Coverage* (ET-4802) is sent to the employee, employer and Securian.

B. Termination Before Age 65

Initially, the amount of insurance will be the same as the amount prior to termination or retirement. Premiums are calculated in the same manner as before and will automatically be deducted from the retirement annuity check, or will be billed directly by Securian.

The Basic insurance will continue after age sixty-five (65) without cost to the annuitant, subject to the Continuing Coverage Table below. However, Spouse and Dependent coverage ends at termination, not at age sixty-five (65).

Local government employers wishing to pay all premiums for a retired employee, up to age sixty-five (65), can be billed by Securian. The employer must notify ETF in writing that it agrees to pay the entire premium for all levels of coverage* until age sixty-five (65). ETF will then certify the employer paid coverage and these retirees will appear as a separate billing unit on the employer's monthly billing.

**If a local government employer does not wish to pay for all levels of continuing coverage then all of the premium for continuing coverage should be deducted from the employee's monthly annuity. The employer will need to reimburse the employee for the coverage levels it wishes to pay for.*

C. Termination at Age 65 or Later

Basic insurance coverage will continue at a reduced amount for life, without cost to the employee, if retirement occurs at age sixty-five (65) or later.

The amount of Basic insurance is shown on the Continuing Coverage Table below. Supplemental, Spouse & Dependent and Accidental Death and Dismemberment coverages will terminate at the end of the month in which the employee retires, or attains age seventy (70), whichever is earlier. Additional insurance will terminate when employment is terminated, coverage is cancelled, or premium payments have stopped, whichever is earliest.

Continuing Coverage Table

AGE	% of Basic Coverage Continuing
Before age 65	100%
While age 65	75%
While age 66	50%
While age 67 and after	25%*

** Applies only to employees of local government employers. Local government employers may, however, elect a continuation of 50 percent of the Basic coverage if they agree to make the increased employer contributions. State employee coverage continues at the 50 percent rate from age 66 and after.*

D. Conversion to an Individual Policy

If the employee's insurance is terminated under (1) or (2) of Chapter 14, "Termination of Insurance," and the employee is not eligible to continue group coverage, then the employee may apply for an individual policy with Securian. However, the employee must have been insured for the entire six (6) months preceding termination of coverage.

No evidence of insurability is required if the following terms are met:

1. Individual coverage is less than or equal to the amount of group insurance coverage the employee had.
2. The employee applied for the individual policy on a form provided by Securian and paid the first premium within thirty-one (31) days after their group insurance coverage terminated.

Any spouse or dependent who is insured continuously for the entire six (6) months preceding termination of coverage may apply to convert coverage to an individual policy with Securian. The individual policy will be issued without evidence of insurability subject to the terms of the policy. When termination of coverage is due to the death of the insured employee, written application and payment of the first premium must be received by Securian within ninety (90) days of the employee's death.

Insurance under the individual policy shall become effective at the end of the thirty-one (31) day period during which application for the individual insurance may be made, provided the above terms are met. If the insured dies during that thirty-one (31) day period, Securian will pay the insured's beneficiary the maximum amount of insurance for which the individual policy could have been issued, regardless of whether or not an application for conversion was filed or the first premium was paid.

The individual policy is a type currently issued by Securian but cannot be term insurance. This policy will not include a Waiver of Premium or Accidental Death and Dismemberment benefit. The application form and rate table for this conversion, [Conversion of Group Life Insurance Enrollment \(ET-2306\)](#) are available from ETF (<http://etf.wi.gov>), or Securian. Failure to obtain an application for conversion does not extend the conversion period. Questions concerning conversion should be directed to Securian.

E. Employer Responsibilities When an Employee Terminates Employment

1. Identify when the last premium payment is due and refund any overpayments.
2. Inform the employee of the date life insurance coverage will end.
3. Inform the employee of options for continuing or converting life insurance coverage. Provide the proper application form. See the next chapter for information about continuing and converting life insurance.

The following are some examples of when conversion or continuation may be used and which forms should be provided to employees:

Employee Conditions at Termination	Conversion or Continuation	Forms
1. Employee qualifies for continuation of group coverage	Continuation	ET-2154
2. Employee had been insured for six or more continuous months at the time coverage ends, and does not qualify for continuation of group coverage	Conversion	ET-2306
3. Employee is under age 70 and has had Spouse & Dependent coverage in force for at least six months prior to termination	Conversion (Spouse & Dependent Coverage)	ET-2306
5. Employee does not qualify to retire, but has 20 years of service with their employer	Continuation	ET-2154
6. Employee chooses to defer retirement benefits, but qualifies for continuation of group coverage	Continuation	ET-2154

EVENT	Occurrence Date	Last Premium Due for	Coverage Ends	Continuation or Conversion Application Due	Last Spouse & Dependent Premium Due for	Spouse & Dependent Coverage Ends	Spouse & Dependent Conversion Application Due
Termination of Employment Under age 65 and no immediate annuity	June 10	June	June 30	July 31	June	June 30	July 31
Retirement: Under age 65	June 10	June	N/A*	N/A*	June	June 30	July 31
Retirement: Age 65-69	June 10	June	June 30**	N/A	June	June 30	July 31
Retirement: Age 70 or older with Additional Coverage	June 10	June	June 10	N/A	N/A	N/A	N/A
Active Employee Turns Age 70***	June 10	May	June 10	N/A	May	June 10	July 11
Appealing a Dismissal/Compromise Settlement	June 10	June	June 30	Coverage may continue after an involuntary discharge if the discharge is appealed within 30 days after it occurs. Employee pays both the employee and employer share during the appeal.			
Leave of Absence/Layoff/Military Leave	June 10	June	June 30	Coverage may continue for up to 36 months. Premium must be paid in advance and each payment must be received by the employer at least 31 days prior to the end of the period for which premiums had previously been paid. Coverage may continue beyond 36 months if it is an approved union service or military leave. If the employee wants coverage to lapse while on leave, premium payments should be discontinued. Coverage can then be resumed upon return from leave. Do not have the employee file a cancellation application to cancel coverage. If a cancellation is filed, the employee can only obtain coverage through evidence of insurability upon their return.			
Death	June 10	June	N/A	N/A	June	Sept 8	Sept 8
Cancellation (date employer received form)	June 10	July	July 31	N/A	July	July 31	N/A
Cancellation before coverage is effective	Before effective date	No premium due	N/A	N/A	N/A	N/A	N/A
Disability Premium Waiver Approval (last day paid)	June 10	June	N/A	N/A	June	N/A	N/A

*Coverage does not end, and no application is required for continuation of coverage if the employee qualifies for continuation and will begin a WRS annuity by the date the continuation applications would otherwise be due. ETF automatically arranges for continuation of premium deductions. A cancellation form must be filed if the annuitant wishes to discontinue any or all coverage.

** Basic coverage does not end, and will continue at a reduced amount for life, without cost to the employee. Supplemental, Additional and Spouse & Dependent coverage ends at the end of the month of retirement.

***Supplemental and Spouse & Dependent coverage end on the date an active employee turns age 70. Basic coverage remains at the final reduced amount. If the employee has Additional coverage, the coverage continues until the employee terminates, retires or cancels coverage. The employee's spouse and/or dependent may convert.